Inside & Out

First billion-dollar quarter
Year-end earnings testify to company's success

Strong international sales growth buoyed Compaq fourth quarter and year-end sales to new heights.

Sales for the fourth quarter of 1990 were $1 billion, marking the company's first billion-dollar quarter. Sales registered a 27 percent increase over the $788 million reported in the same period of 1989. Fourth quarter net income was $135 million, or $1.50 per share, which compares to net income of $79 million or $.92 per share (adjusted for a two-for-one stock split effective June 29, 1990), in the last quarter of 1989.

For the year ended Dec. 31, 1990, sales were $3.6 billion, an increase of 25 percent compared with revenues of $2.9 billion in 1989. Net income for the year was $455 million, or $5.12 per share, a 36 percent increase over 1989 net income of $333 million or $3.88 per share on a fully diluted basis.

"Nine well-received new products fueled Compaq's worldwide success in 1991, with especially strong growth of our international sales," said Rod Canion, President of Compaq. "The COMPAQ products introduced this past year include our newest entries in the market's key growth segments: 386SX-based desktops, notebooks and PC systems – three product categories we pioneered. Sales outside North America contributed 54 percent of the company's revenue in 1990, making this the first year that our international sales have topped our North American sales.

"Compaq's early investment in its European business – starting in 1984 with our entry in three countries in Western Europe – paid high returns for the company this year, due to PC sales growth rates in Europe which were much higher than those in the U.S.,"

Major programs, benefits announced for customers

The company announced a series of new programs and benefits Feb. 11 that will further enrich the value of being a Compaq customer.

These enhancements include an industry-first program offering comprehensive software and hardware support to those who use COMPAQ products with operating systems from Banyan, Microsoft, Novell and SCO, the four industry leaders with which Compaq has joint integration agreements.

Although the programs are only available in North America, international plans are in development.

Beginning May 1, Compaq will continue to move forward with its four partners by designating some Authorized Dealers as having specialized capabilities with Compaq hardware and key operating system environments.

On March 4, the company will achieve another first – direct telephone support from a PC hardware manufacturer that provides technical assistance with its products and key operating systems from Banyan, Microsoft, Novell and SCO.

On the same day, toll-free telephone support will begin for customers who need basic product information.

"These programs coincide with the ongoing evolution of dealer business strategies, which is driven by advances in PC systems technology; changes in corporate PC buying patterns; and increasing need for technical multivendor support," said Ross Cooley, Vice President, North America.

"The advanced telephone support, specialized dealer designations and toll-free telephone assistance respond to these unfolding trends by complementing the range of fee-based services Authorized Dealers provide and by more fully addressing the complete spectrum of changing customer support needs."

Here's a closer look at the enhancements.

COMPAQ SPECIALIZED DEALER PROGRAM

Logos and decals will identify Authorized Dealerships that have the staffing, training and service capabilities to sell and support multivendor solutions with COMPAQ products in

Expansion System introduced

Two COMPAQ Intelligent Array Expansion Systems, shown left of the COMPAQ SYSTEMPRO, can raise storage capacity of the COMPAQ SYSTEMPRO to almost 20 gigabytes, or nearly 20 billion characters of information.

New system stores nearly 20 billion characters

The 1.68-gigabyte drive array capacity of the COMPAQ SYSTEMPRO PC System appears to be only the beginning.

On Feb. 11, the company announced the COMPAQ Intelligent Array Expansion System, which is designed for advanced connected environments.

To be used in applications with COMPAQ SYSTEMPRO, the new expansion system comes with 2.6 gigabytes of fast, reliable fixed disk drive array storage and may be scaled to 9.1 gigabytes. Two systems used with a fully configured COMPAQ SYSTEMPRO raise storage capacity to nearly 20 gigabytes, or nearly 20 billion characters of information.

"COMPAQ SYSTEMPRO users have demonstrated the need for higher-capacity array storage, espe-cially as they consider downsizing minicomputer and mainframe applications," said Lorie Strong, Vice President of Product Marketing.

"COMPAQ SYSTEMPRO can now meet the most demanding high-performance storage requirements of a network server or multiuser host. With only one controller required in COMPAQ SYSTEMPRO for each expansion system, valuable EISA expansion slots are conserved for other devices."

Similar in appearance to COMPAQ SYSTEMPRO, the COMPAQ Intelligent Array Expansion System is equipped with eight full-height drive positions, each able to support a 1.3-Gigabyte Differential Interface Fixed Disk Drive. The differential interface eliminates much noise

COMPAQ LTE dazzles Soviet scientists

In April 1986, an accident at the Chernobyl nuclear plant spewed radiation throughout Byelorussia and the Ukraine, republics on the western border of the U.S.S.R., as well as Russia, the largest Soviet Republic.

Radiation released in that accident will affect people in the area – and throughout the world – for centuries. Byelorussian scientists estimate that 2 million Byelorussians, including 400,000 children, are still living on contaminated land and must be relocated. Unfortunately, relocation efforts to date have been slow, due to economic problems, political instability and inadequate testing and monitoring capabilities in the region.

A U.S. environmental delegation, equipped with a COMPAQ LTE/286, helped pioneer efforts to establish an independent citizen's radiation monitoring network for the Byelorussian Republic. The COMPAQ notebook PC was part of a monitoring project sponsored by the Natural Resources Defense Council (NRDC), a Washington, D.C.-based nonprofit organization. The mostly volunteer delegation traveled to Byelorussia last fall.

The ideal lightweight

According to Dan Sythe, President of International Medcom, a Sebastapol,

Calif.-based producer of radiation detection instruments, a lightweight computer was needed to demonstrate radiation monitoring software and to record radiation measurements.

"I went to some computer stores to see the kind of equipment available, and the COMPAQ LTE/286 was by far the best," he explained.

Unfortunately, the NRDC was unable to fund such a purchase, so Sythe contacted Rena Phillips in the Compaq Pleasanton regional office. Recognizing the merit of the request, she asked Rob Meneley, Channel Account Manager for ComputerLand, to lend his COMPAQ LTE/286 productivity unit to Sythe for his trip to Byelorussia.

Besides demonstrating radiation detection software, Sythe used the notebook PC to keep a log of the information he received during the trip.

"The LTE was perfect for the project," claims Sythe. "It was rugged, reliable and easy to carry and use as we traveled. It gave us absolutely no trouble and worked like a charm."

Sythe was not the only one impressed with the COMPAQ LTE. At a meeting with representatives of a large Russian company that manufactures computers and other electronic products, design

At the Institute for Nuclear Problems at Byelorussia State University, Dan Sythe, right, demonstrates the COMPAQ LTE/286.

engineers eagerly examined the compact computer. Although the company's personal computers were reliable and of good quality, Sythe reports, they were Z80-based with only 48K of RAM.

Because several publications have asked for articles on the project, the COMPAQ LTE/286 was also used to document what was learned. "It was great to be able to put our thoughts on the hard disk as they occurred, rather than trying to write about it later at the office,"

Sythe added.

Based on the findings of the mission, an ongoing radiation monitoring project has received official approval and will begin in the spring. The group plans to equip 1,000 classrooms with monitoring equipment and curriculum materials. These community-based monitoring stations will be available to educate the Byelorussian and Ukrainian communities affected by the Chernobyl accident and help organize relocation efforts.

Company posts excellent results

Canion added. "During 1990, Compaq's international revenue of approximately $2 billion was a 49 percent increase over the previous year. North American revenue, reflecting a continued slowing of economic growth in the U.S., grew 5 percent. The pace of Compaq's worldwide revenue growth exceeded that of the PC industry.

"We are pleased with our performance in 1990 and we believe the strength of our product line positions us well for 1991," Canion said. "However, the current uncertainties in the world economic and political situation will make 1991 a challenging year."

Products users want

Compaq's ongoing focus on providing products users want in growth markets has kept the company's sales healthy. Compaq pioneered both the 386SX- and 386-based product categories and strengthened its position in these segments with the introduction of new products during the year.

Compaq expanded its 386SX-based line with the COMPAQ DESKPRO 386s/20 desktop, the COMPAQ SLT 386s/20 laptop and the COMPAQ DESKPRO 386N, which was designed as a network workstation and standalone PC. The COMPAQ DESKPRO 286N, also introduced this year, has the same features as the COMPAQ DESKPRO 386N, with one difference – a 286 microprocessor.

In the 386-based desktop arena, the

company added the COMPAQ DESKPRO 386/25e, and the COMPAQ DESKPRO 386/33L, an Extended Industry Standard Architecture (EISA)-based PC that's upgradeable to a 486.

Notebook PCs are the fastest growing segment of the portable market. Compaq truly defined this segment in October 1989 with its introduction of the COMPAQ LTE/286 and COMPAQ LTE. Growing demand for these products is being driven by the rising number of large companies automating their sales forces with notebook PCs. In October 1990, the COMPAQ LTE 386s/20 was added to the top-selling line of COMPAQ notebook products. It added features such as a VGA screen, 20-MHz 386SX performance and

desktop expansion capability.

At the high end of its line, Compaq added two 486-based EISA products: the COMPAQ DESKPRO 486/33L and 486/33 models of the COMPAQ SYSTEMPRO.

Businesses worldwide have begun turning to 386- and 486-based COMPAQ SYSTEMPRO PC Systems to "downsize" from minicomputers and mainframes to PC-based networks because of the enhanced price/performance offered by such industry-standard PC systems.

To support this trend, Compaq announced formal integration agreements with software vendors Banyan, Microsoft, Novell and The Santa Cruz Operation (SCO) in the fourth quarter of 1990. These agreements will

document and simplify the integration of the COMPAQ SYSTEMPRO in a variety of environments with a wide range of thirdparty hardware and software products. These alliances demonstrate Compaq leadership position in an open PC industry, and help assure compatibility, performance and support for customers.

With 13 sales and marketing subsidiaries in Western Europe and more than 1,600 Authorized Dealers, Compaq is well-positioned for the anticipated unification of European markets in 1992 and growth in the European PC market. In 1990, the company substantially expanded international manufacturing capacity in Singapore and Scotland, and announced plans for a state-of-the-art distribution center in The Netherlands.

Scotland now produces 70 percent of COMPAQ products shipped to international markets. Singapore, previously reserved for the production of printed circuit boards, began assembling the COMPAQ DESKPRO 386N in August and the COMPAQ DESKPRO 286N in November.

Compaq also extended its international presence in 1990, with the establishment of new subsidiaries in Austria, Finland and Hong Kong, bringing the total number of international sales and marketing subsidiaries to 18. The company authorized its first dealers in Mexico, Argentina and Trinidad. And, with the opening of Eastern European markets, Compaq authorized the first COMPAQ dealers in Hungary, Yugoslavia and the former East Germany.

Compaq Revenue

North America and International

$ Millions — North America — International

Year	North America	International
1989	1562	1314
1990	1641	1958

Rod Canion speaks on quality
Building a corporate foundation

*E*ach February, we celebrate the anniversary of the establishment of Compaq Computer Corporation. This February marks the company's ninth birthday. Much of our success over the past nine years is a credit to the company's early dedication to quality, following principles set in the company's founding.

The following remarks are excerpted from a recent speech given by Rod Canion, President and CEO of Compaq, on quality and its significance in the Compaq culture. The speech was given at the seventh annual GOAL Quality/Productivity/Competitiveness Conference in Boston, and gave a perspective on the fundamental role quality awareness has played at Compaq.

I truly believe that quality, the management of quality and a long-term commitment to quality are critically important. Quality is the heart through which passes our company's lifeblood, and quite possibly the future of American business.

This is the first time I have made a formal outside presentation about Compaq's management of quality. So these remarks are a watershed of sorts for the company.

In our formative years – 1982 to

> **...the Compaq culture is an environment made up of decent, dedicated people who create a productive and fulfilling workplace.**

1986 – quality consciousness spread to be a unique culture.

At the risk of oversimplifying, the Compaq culture is an environment made up of decent, dedicated people who create a productive and fulfilling workplace. Employees also feel that their jobs are meaningful to the success of the company, that what they're doing is going to make a difference. It's an environment for success.

As I think back, I recall that the processes which became the Compaq culture were in place even before our first product was defined. We started with an idea for the kind of company we wanted – even before we decided whether to sell frijoles or fixed disk drives.

By the time venture capitalists, and then computer users, agreed that we finally had a winning recipe, the cultural foundation was already established.

Looking back, I can see many instances of early corporate decision-making which support the view that a Compaq corporate foundation based on quality took hold early in our history. Four examples highlight this in the company's formative years:

• the formation of our Business Plan in 1982;

• the development of a formalized quality goal and policy in 1983;

• the 1984 adoption of a product slogan "It Simply Works Better"; and

• the critical decision-making process from 1984 to 1986 that led to Compaq introducing the first 386 desktop personal computer instead of a laptop PC that everyone expected from us.

The business plan

In 1982, when we incorporated, our first business plan was a description of the company written for potential investors and customers. The plan said Compaq would stick with what it knew, and would do that job better than anyone else. Customer satisfaction was our major

> **I hope it's clear we believe there's a close connection between quality and success. There definitely is!**

objective.

Our first computer, the COMPAQ Portable, was a direct result of that plan. That product's most distinguishing characteristic was its compatibility with software for the IBM personal computer. This compatibility met customer needs.

As a result of our early decisions, we generated remarkable revenue in our first year of production. Our sales were $111 million – the most successful first year in U.S. business history.

Starting with the COMPAQ Portable, our subsequent products have been designed, developed, manufactured and marketed by highly participative teams. And in those teams, a collegial style of consensus management – which listens for the voices of common sense and customer need – doggedly pursues the best available answers to issues.

Quality goal and policy

During 1983, we spent about 1 percent of our revenue on quality training – thus improving our teamwork. We conducted quality awareness training, and we formed quality improvement teams to monitor our progress. In our Annual Report for 1983, we stated our quality goal:

"One of the primary goals at Compaq is to set the standard for quality in the computer industry. Although an ambitious goal, it is one to which the company's management is solidly committed. Not only are we striving to produce products without defects, but we also plan to be known for quality in every activity of the company."

The Quality Goal has evolved into a Quality Policy. We engraved our Quality Policy on a plaque in 1983, and today you can find copies of it everywhere in our buildings.

"We at Compaq Computer Corporation are absolutely committed to provide defect-free products and services

to our customers in partnership with equally committed suppliers and Authorized Dealers."

Even at that early time in Compaq's history, we recognized that keeping quality in the minds of all our people was a long-term process. A company's commitment to quality, its true commitment, is the thread of its fabric.

In our second year, 1984, we achieved revenues of $329 million – another record. Our commitment to quality as we know it in the COMPAQ Portable resulted in our having the most successful second year of sales in U.S. business history. I hope it's clear we believe there's a close connection between quality and success. There definitely is!

Product slogan

Our advertising agency in 1983 introduced an advertising theme-line which became an important part of our quality consciousness – "It Simply Works Better."

Unlike many ad slogans, it worked. And it still works, years later, because it says precisely what we wanted the company and computer users to know about our products. And that is precisely what quality is – the value of our products as judged by our customers.

"It Simply Works Better" became a corporate slogan in 1984. It talks not just about our products, but also about the entire solution to a computing problem. This slogan really gets to the bottom line for customers. It expresses their expectations and needs. In today's complex computing world of hardware and software that must be complementary while coming from many sources, "It Simply Works Better" tells our customers we own their

> **As it is, today our form of consensus management is the secret to Compaq's long series of correct decisions on critical issues.**

problems. Our slogan also communicates that we are going to work hand-in-hand with many other companies to resolve customers' problems.

The 386 desktop

During the years 1984 to 1986, we made several critical product decisions that reveal how Compaq operates. Our pioneering introduction of the COMPAQ DESKPRO 386 in 1986 jumped us ahead of all competitors. Ours was the first PC based on the Intel 386 microprocessor, and it put us out on a limb without the security blanket provided by IBM being there first.

Early in this same period, a product team was considering whether Compaq should enter the laptop computer market. To that time, we had offered just the larger portables, and the industry expected us to come out with a small laptop like those of a few competitors. I personally wanted to use a laptop myself, and to have Compaq market one. I was the driver

behind Compaq's laptop project. My sense was that computer users wanted it.

In a key meeting, a junior researcher presented some rather surprising facts and recommendations. Her conclusion was that there was a market for a Compaq laptop, but it was quite small. We examined how she had come up with her numbers. We did some additional research and we all agreed on a common set of facts. That was typical of the way the consensus management process works at Compaq.

In the end, the team agreed that small sales potential did not justify the huge expenditure for entering that market. There were better opportunities – such as our entry into the desktop market with a 386.

I didn't get my Compaq laptop until 1988. When I did, the COMPAQ SLT/286 became a leadership product and a great success.

I often think that, had I had rejected the team's solid research just because I wanted Compaq to have a laptop, all our talk about consensus management and the Compaq culture would have been window dressing. As it is, today our form of consensus management is the secret to Compaq's long series of correct decisions on critical issues.

We take consensus management techniques all the way to the assembly line. There, employees meet every day to talk about problems and concerns. And together they come up with solutions.

Before we gave the final "go-ahead" to the Compaq 386 desktop, we used all the tools available. We listened to customers through extensive market research and user forums. So even though some people believed it was risky for us to introduce a new and different PC before IBM did, we were certain users would accept the COMPAQ DESKPRO 386 because we had done our homework.

Companies knew they could count on Compaq for compatibility, for meeting their expectations, for reliability. And so while the 386-based machine was new, it was based on a reputation permeated by quality.

When we introduced the COMPAQ DESKPRO 386 in 1986, we were a $500 million company. Now we are seven times that large. Where eight years ago there was one product to manage, today we have 18 computers and dozens of strategic options. So it is a growing challenge to maintain – and strengthen – our culture and our style of consensus management. But we feel that if we keep our culture in place, we can make correct decisions consistently and therefore compete against any company in the world.

To us, quality consciousness and a global presence walk hand in hand. Without our total commitment to the implementation and management of quality, there is no doubt about it – we would not be the international personal computer leader we've been fortunate to become.

Avoid an identity crisis
Maintain the Compaq corporate identity

As Compaq expands throughout the world, maintaining the company's corporate identity becomes increasingly critical. It's an important responsibility for everyone who works at Compaq, since it is one of our most valuable assets.

A crucial element of the Compaq identity is the company logo. It's also the element most frequently abused as it is reproduced on materials worldwide. The sample below is the correct way to print the Compaq logo.

This trademark should not be altered in any way.

Although a minor change to such a well-known symbol may not seem very important, any alteration can have profound consequences.

As Compaq President Rod Canion notes in remarks reprinted in the Corporate Identity Guide, "Deviations from our standard not only weaken the effectiveness of the entire corporate identity program, but could also adversely affect the strength and enforceability of our trademarks, including our registered logo."

The logo

There are *two* elements to the Compaq logo – the Compaq name in the stylized uppercase typeface and the horizontal bar. Never use one of these elements without the other.

The width of the bar is always determined by the width of the letters used in the word COMPAQ. The tail of the Q, the horizontal bar and the space between the Q and the bar should all be equal. The right end of the horizontal bar and the tail of the Q are cut on a 65 degree angle. The horizontal bar must extend to the left at least one-half the length of the word COMPAQ.

Although the left end of the bar should also be cut on a 65 degree angle, there are exceptions. If the left end of the bar is aligned with type or some other graphic element, that left end may appear in a vertical format. If necessary, the left end of the bar may extend off the left edge of the page. If you must make an exception, do so with discretion.

Printing the logo

Both elements of the logo may be printed in black, light gray, dark gray, metallic gold, silver or bronze. Or they may be printed in white reversed out of a dark background. When printing the horizontal bar with the yellow-to-red feature, only black, gray or white should be used for the word COMPAQ.

All exact specifications and explanations are given in the Compaq Corporate Identity Guide. The guide contains "camera-ready" art for corporate, product and subsidiary logos.

Incorrect uses of the corporate logo include:

• Printing the word "Compaq" and the bar in any combination or colors other than those listed above;

• Altering or distorting the shape of the letters;

• Printing the logo with a drop shadow;

• Using the logo in text;

• Reproducing the horizontal bar in shades of gray;

• Using colors other than magenta and process yellow for the color bar;

• Attaching graphics or graphic devices to the logo;

• Positioning the logo at an angle; and

• Printing the logo on a patterned background.

If a copy of the identity guide is not available to you, contact Communications Services for camera-ready art.

Incorrect uses of the Compaq logo.

New customer programs

Banyan, Microsoft, Novell and SCO environments.

Each dealership must meet specific requirements, such as having an advanced designation from one or more of the software vendors, having a Compaq Accredited Systems Engineer (ASE), and offering on-site service/support, systems integration and operating system demonstrations.

Cooley explained, "This program is not ranking dealers as 'good, better, best.' It simply differentiates them, so Compaq customers can work with dealers who have developed systems environment expertise."

COMPAQ TELEPHONE SUPPORT AGREEMENT

Corporate customers needing high-tech technical support from Compaq may call between Monday and Friday, from 7 a.m. to 7 p.m., Central Time.

A purchased agreement sold by the Authorized Dealer is required for this support. As part of the purchase price, customers will receive an annual subscription to the network version of the COMPAQ QuickFind Support Reference Library, a CD-ROM database of Compaq technical and service documentation.

COMPAQ CUSTOMER SUPPORT CENTER

Since Authorized Dealers will continue to be the primary source for basic product information, Compaq customers in North America may call this center for free information about COMPAQ products such as options, upgrade paths and configurations.

The center staff will answer questions related to unit setup, problem identification, COMPAQ operating system products and QuickFind.

The center also will handle calls Monday through Friday from 7 to 7, Central Time.

> *Authorized Dealers will continue to be the primary source for basic product information*

THE ACCREDITED SYSTEMS ENGINEER PROGRAM

Cross-training qualifies the Accredited Systems Engineer to work with users of Banyan VINES, Microsoft LAN Manager, Novell NetWare and SCO UNIX in applications with Compaq. A new technical database will keep the engineers current.

Users can rely on ASEs for support in many areas, including important demonstrations and presentations, seminars, distribution of appropriate technical information, coordination of internal and COMPAQ resources, COMPAQ product introductions and problem escalation/resolution.
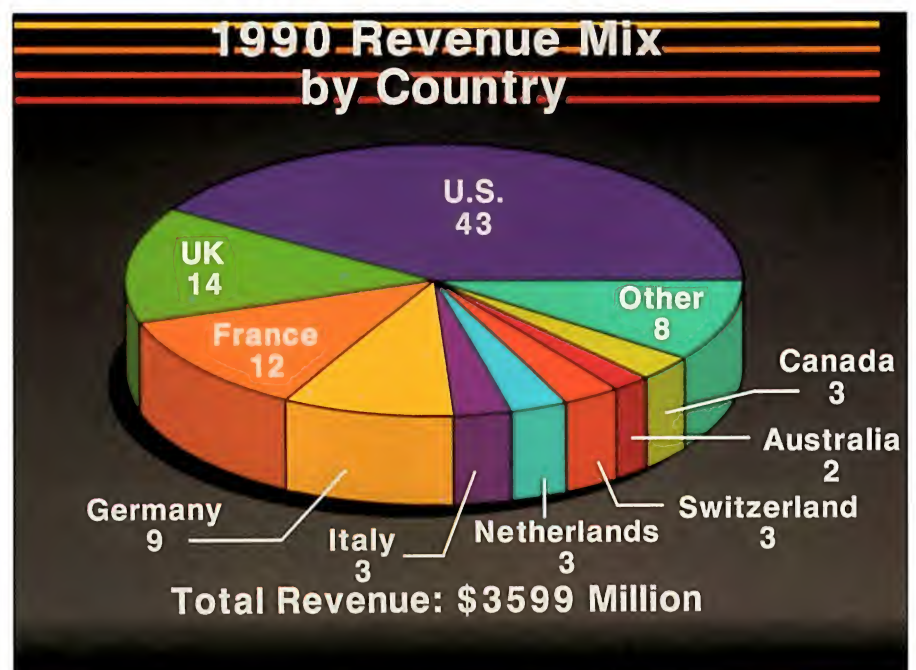

How does FORTUNE spell respect?
C-O-M-P-A-Q

Compaq has recently been named to the FORTUNE magazine list of the most respected corporations in America. For its ninth annual Corporate Reputations Survey, the monthly business magazine polled 8,000 senior executives, outside directors and financial analysts.

Compaq ranked 45th out of 306 companies mentioned. Among "Computers and Office Equipment" companies, Compaq came in third. It was the first time Compaq was named in this annual listing.

Companies included in the listing were rated on a scale of 0 (poor) to 10 (excellent). Attributes considered were quality of management; quality of products or services; innovativeness; long-term investment value; financial soundness; long-term investment value; financial soundness; ability to attract, develop and keep talented people; community and environmental responsibility; and wise use of corporate assets.

1990 Revenue Mix by Country

U.S. 43
UK 14
France 12
Germany 9
Italy 3
Netherlands 3
Switzerland 3
Canada 3
Australia 2
Other 8

Total Revenue: $3599 Million

The chart above shows the percentage each country contributes to Compaq revenue.

Ironman employee tests his limits

The event begins at 7 a.m. on a Sunday. First you plunge into the tepid Tennessee River and swim for 4.8 miles. Not pausing to rest, you get on your bicycle and pedal for 224 miles through the hills of Alabama. After you gingerly get off your bike, you take to the road on foot – running 52.4 miles. At 1:53 p.m. the following Monday, 30 hours and 53 minutes later, you're finished. It's a broiling 95 degrees F., but there is a tremendous feeling of satisfaction.

Sound like torture? Not to Tom Parsons, Manager, Spares Business Planning. He was one of 27 people worldwide who participated in the recent Double Ironman triathlon in Huntsville, Alabama.

"People challenge themselves in different ways," he explains. "It just depends on what you like to do. I like to be outside. The challenge is to know you can do it."

He certainly proved he could. He finished tenth out of 15 people who completed the event. The key to finishing the event? "You've got to keep moving,"

'People challenge themselves in different ways. It just depends on what you like to do. I like to be outside. The challenge is to know you can do it.'

Parsons says. "If you stop to rest, you might never get up."

The Ironman triathlon is the pinnacle of the triathlon events. But, the Double Ironman triathlon pushes it one step further. The regular Ironman consists of a 2.4-mile swim, a 112-mile bike ride and a 26.2-mile run. A more common triathlon consists of a 1-mile swim, a 25-mile bike ride and a 6-mile run.

Parsons, who works at Sommermeyer in Houston, began training for this super triathlon in April, never going more than three days without a workout. At the peak of his training were several 150-mile bike rides followed by a four-hour run. His training partners were Cathey Keaton, Compaq New Product Manufacturing Engineering; Carla Havel, Compaq PCB Quality Assurance; his friend, Steve Cox; and many other supporters.

Parsons' wife, Lavonne, who works for Compaq as Manager, International CPU Manufacturing Support, also helped in the effort. She accompanied Parsons

A lengthy bike ride is only the second stage in the grueling triathlon.

to Alabama as a member of his crew, following him during the events to provide any needed supplies, such as food, ice and a lot of encouragement.

When he finished the grueling race, Parsons says the first thing he did was eat. Then, he says, he got a massage to get the blood flowing through his muscles and an ice bath to keep down the swelling in his legs. After that, he got some much-needed sleep.

"If you don't do things in that order, it will take weeks to recover," he explains.

Besides his training and his crew, Parsons says his mental attitude – a sense of humor – allowed him to keep going during the event.

"You've got to keep your sense of humor," he says. "If you can do it, you'll never get to know yourself better than when you try this kind of event."

Parsons has participated in triathlons for eight years. He finished an Ironman event in Canada last year and also participates in marathons and ultra marathons, which are 50 miles or more.

'When you work full-time, you can't aspire to be a winner, but you can be a competitor.'

He participated in the Woodlands Marathon Feb. 9. And he recently completed a 50-mile run in Huntsville State Park, north of Houston. Parsons finished the course in nine hours and 16 minutes.

He plans to compete in an Ironman event this year, where he will try to finish with a faster time than his previous personal record.

It is likely that a triathlon event will be featured in the 1992 Olympics as an exhibition sport. But Parsons says he has no ambitions of becoming an Olympian.

"When you work full-time, you can't aspire to be a winner, but you can be a competitor," he says. "I just enjoy the sport and the competition with my peers."

All those hours of preparation are worth it when you're the one to break the ribbon at the end.

International slogans sing company's praises

In the U.S., the name Compaq is usually thought of with the company's English slogan – "It Simply Works Better." Around the globe, however, the name Compaq is followed by various slogans, all singing the company's praises.

Compaq Norway, Belgium, United Kingdom, Sweden and Asia use the English version of the slogan. But, Asbjorn Sogstad, Marketing Manager of the Norway subsidiary, says his office is looking for a good local slogan.

In bilingual Canada, the English version of the slogan is used extensively. In French Canada – Quebec – the slogan is "Tout Simplement Meilleur," which translated means "Simply Better."

In France, the slogan is "A Suivre." This means "To be Continued" or "To be Followed."

In Spain, the Compaq slogan is "El Sabio Camino A Seguir," meaning "The Wise Path To Follow." The Italian slogan is "Lavorare Meglio E' Il Nostro

Business," meaning "Working Better Is Our Business."

Compaq Switzerland uses the slogan "Computer mit Vorsprung." "Sprung" in German means jump, so "Vorsprung" is a jump ahead. The slogan translated means "Computer with a lead/advantage."

Each slogan translates the Compaq message into a phrase understood and appreciated in the particular country's culture.

Thanks to entrants

Thanks to all those who sent in their response cards from the December *Inside & Out*. The ten winners of the drawing are: George Berrich, Scotland; Lorry Hoppens, CCA2; Mary Jacobs, Sommermeyer; Pat Kotal, CCA4; Paula Locke, CCA13; Robert Nissen, CCA1; Rhonda S. Porter, CCM4; Colleen Quinn, CCA4; Liz Railton, CCA12; and Judy Sitton, Chasewood II.

These lucky winners won a stylish and comfortable Compaq windbreaker. Congratulations and thanks for entering!

Don't forget to send in your card from this month's issue!

Watch for this sign


COMPAQ IS PROTECTED BY YOU

You may have noticed this logo popping up at various places around campus. It's the new Compaq security logo – aimed at reminding all employees to take responsibility for protecting confidential information.

Representatives from throughout the company have been studying confidentiality issues and have developed a security program that requires the commitment of all Compaq personnel. As our company grows in size and scope, it becomes even more essential that we all take responsibility for protecting its assets.

More information on security issues will be available in the months ahead.
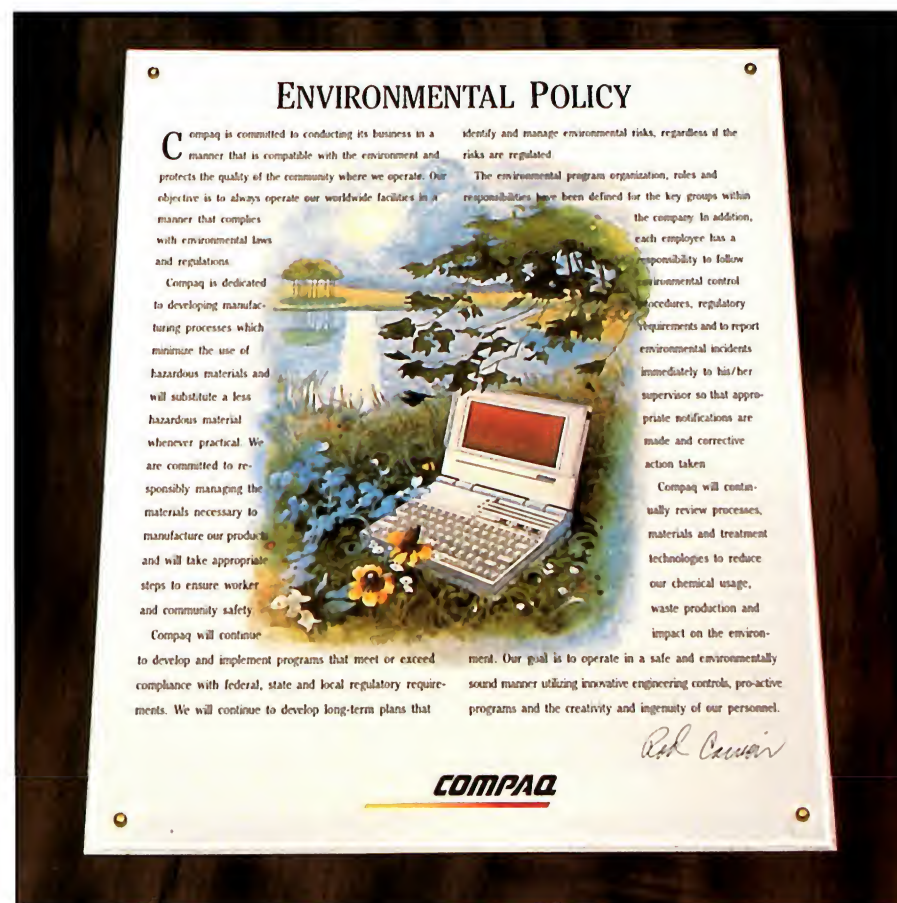
This "Environmental Policy" plaque has been distributed to Compaq facilities around the world. The text on the plaque from Rod Canion reads, in part, "Compaq is committed to conducting its business in a manner that is compatible with the environment and protects the quality of the community where we operate. Our objective is to always operate our worldwide facilities in a manner that complies with environmental laws and regulations." The text concludes by stressing the importance of operations "in a safe and environmentally sound manner, utilizing innovative engineering controls, pro-active programs and the creativity and ingenuity of our personnel."

Canion recognized by *Financial World*

Financial World Magazine has named Rod Canion, president of Compaq, its CEO of the year in the Computer Hardware industry.

Canion was chosen by his peers and security analysts in the Computer Hardware industry through an extensive balloting process. Winners of this competition are now qualified for 12 silver awards to be given in broader industry categories. The 12 silver winners compete for the Gold Award – *Financial World's* CEO of the Year.

The magazine's annual banquet, which will also be a benefit for the United States Olympic Committee, will be held in New York City on March 21.

New system boosts storage capacity

that comes with single-ended SCSI fixed disk drives.

The standard expansion system's Model 2600 comes with two 1.3-gigabyte drives. Two of the open positions may instead be used to install up to four half-height data backup options such as the COMPAQ 1.3-/2.0-Gigabyte Digital Audio Tape Drive or the 320-/525-Megabyte Tape Drive.

The new expansion system uses drive array technology, in which data is striped across a series of fixed disk drives. The drive array can be addressed by the operating system as a single logical drive. This technology allows fast access to the data stored on the drive, and also offers the opportunity to enhance data reliability through controller-based fault-tolerance features.

Users may select fault-tolerance features such as drive mirroring, an on-line spare drive and controller duplexing.

With drive mirroring, the controller mirrors one drive to another, providing a backup copy of every file. In mirrored configurations, users may configure an additional drive as an on-line spare to take over automatically for a failed drive and restore mirrored fault tolerance.

With duplexed controllers, each controller has a set of drives. Each set contains identical data to ensure uninterrupted operation, should a drive or controller fail.

The COMPAQ Intelligent Array Expansion System is supported by Novell NetWare 386 and SCO UNIX System V. Support is anticipated for other operating systems, including Banyan VINES, Microsoft OS/2 and Microsoft LAN Manager.

This high-performance solution demonstrates an important path, one announced last July when the company disclosed plans to increase COMPAQ SYSTEMPRO storage within a year to well beyond 10 gigabytes.

The company also announced Feb. 11 a digital audio tape (DAT) drive option. It stores as many as four gigabytes on a standard 2-inch-by-3-inch tape cartridge at up to 11 megabytes per minute. This option is the highest capacity, highest performance tape backup for high-end COMPAQ computers.

The 1.3-/2.0-Gigabyte DAT drive option supports both 1.3-gigabyte and 2.0-gigabyte standard removable tape cartridges. A 1.3-gigabyte tape cartridge is shipped with the drive.

Each drive is also shipped with COMPAQ Small Computer System Interface (SCSI) Compression Adapter Board. With proper software support, the board can compress data during backup to provide typically 1.5 to 2 times greater capacity on each data cartridge.

One or two DAT drives fit inside COMPAQ SYSTEMPRO, the COMPAQ DESKPRO 486/33L, the COMPAQ DESKPRO 486/25, the COMPAQ DESKPRO 386/33L and the new expansion system.

The COMPAQ Intelligent Array Expansion System works with the COMPAQ SYSTEMPRO in advanced connected environments.

New Zealand records strong growth

New Zealand is a country of 3.4 million people and 60 million sheep.

While the sheep aren't very interested in COMPAQ products, the New Zealand business community has welcomed the company's year-old subsidiary here.

New Zealanders like to think of their home as a Pacific paradise, complete with green pastures and thick forests. Located in the Pacific Ocean 1600 kilometers (992 miles) east of Australia, New Zealand is composed of two distinct islands. Both islands feature a long coastline in proportion to land mass, which measures 450 kilometers (279 miles) at its widest point.

The North Island has a sub-tropical

Country Profile	
Name:	New Zealand
Area:	268,000 square kilometers
	(103,465 square miles)
Population:	3,390,300
Major Cities:	Auckland, Wellington, Christchurch, Dunedin

Subsidiary Profile	
Name:	Compaq Computer New Zealand Limited
Established:	Branch of Australia (September 1988)
	New Zealand subsidiary (January 1990)
No. of Employees:	15
Address:	Level 7
	70 Symonds Street
	Auckland 1
	New Zealand

Compaq Conquerors Indoor Cricket Team – Back Row: Michael Lynch, Eric Freeman, Keith Davis, George Hladilo and Rob Gill; Front Row: Helen Chambers, Donna Cole and "paqa" the bear.

functions required of a subsidiary except warehousing of finished product, which is handled in Sydney, Australia.

Although Compaq New Zealand is relatively new, COMPAQ products have been making their mark. At the recent *PC World* awards, Compaq swept the competition – receiving the Most Promising Newcomer Award for the COMPAQ SYSTEMPRO, Best Laptop with the COMPAQ LTE/286 and Best Desktop with the COMPAQ DESKPRO 386s. These awards were given out based on votes by the readers of *PC World* throughout New Zealand.

Government approval

Compaq has done very well in the government arena, with between 55 and 60 percent of its revenue coming from this segment. The New Zealand Defense Forces are a very significant Compaq

customer, with an installed base of 1,500 COMPAQ PCs. There are even COMPAQ SYSTEMPROs installed on New Zealand Navy frigates.

Recently the Defense Laboratories tested a whole range of laptops from different suppliers on their ruggedness for use in the field. The COMPAQ SLT was the only machine to survive the testing – resulting in a large order for the company. The tested machine was in a pretty sorry state – but it still worked!

Cricket anyone?

Although building a subsidiary takes an enormous amount of time and commitment, the team in New Zealand ensures that they have a lot of fun too. This fun usually includes New Zealand Authorized Dealers.

For the past few months, Compaq New Zealanders have been challenging individual Authorized Dealers to games of indoor cricket. In November, the team challenged one of the company's dealerships south of Auckland to the sport. Losers had to pay for dinner, so you can imagine the level of competition that came into play. At the present time, Compaq New Zealanders are an undefeated team – through whatever means necessary.

Executive approval

Another advantage to working for Compaq New Zealand is the spectacular view from the company's offices of Auckland Harbour – considered by some to be one of the best harbours in the world. According to Gary Stimac, Senior Vice President, Systems Engineering, who visited the subsidiary last year, the New Zealand office offers the best view of any Compaq location in the world. He'll get no argument from Compaq New Zealanders!

climate; its volcanic interior contains one of New Zealand's largest lakes, Lake Taupo, and most of the still-active volcanoes (all usually quiet).

Hot springs, geysers and mudpools connected with the volcanic system are located around the central North Island's Bay of Plenty Area, which is named for its plentiful supplies of vegetation and produce due to the fertile volcanic soil.

Mountain ranges and hill country dominate both North and South Islands. The South Island has very low population. Among its many striking features are the Southern Alps, which are similar to the Alps in Europe. The island also offers fiords, glaciers and lakes (which provide hydro-electric

power to both islands).

Both New Zealand islands lie in the South Temperate Zone. Seasons here are opposite those in the Northern Hemisphere, with January and February being the warmest months and July and August the coldest.

Compaq New Zealand

The New Zealand subsidiary traded as a branch of Compaq Australia for a little more than 12 months, before it was established as a full subsidiary in January 1990.

1990 was a good year for this young subsidiary, with revenue growth strongly ahead of that recorded in 1989

Compaq New Zealand is a self-contained operation, performing all

From their office windows, Compaq New Zealand staff members enjoy an impressive view of Auckland Harbour.

Compaq provides hoopla for Marathon

Members of the Compaq Running Club staked out the half-way mark at the Houston-Tenneco Marathon held Jan. 19 to offer words of cheer and encouragement to marathon participants. Joining the club members in the effort to inspire runners were the Compaq Choir and the Cypress Creek High School Pep Band. Compaq cheerleaders assembled a colorful archway of yellow, orange and red balloons to greet marathoners. Nearly a dozen Compaq employees ran in this year's marathon.

COMPAQ